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REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/WTO AT ITS THIRTY-SECOND SESSION

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Agenda item 1: ELECTION OF THE BUREAU

1. The Joint Advisory Group on the International Trade Centre UNCTAD/WTO held its thirty-second session from 19 April to 23 April 1999. Representatives of 79 countries, members of the Group, were present at the meeting. His Excellency Mr Nacer Benjelloun-Touimi (Morocco), Chairman of the thirty-first session, could not open the meeting as he was obliged at the last minute to undertake a mission abroad. Furthermore, the other members of the Bureau of the thirty-first JAG session had all been reassigned to postings outside Geneva. Consequently, and in accordance with the procedures followed on such occasions, the Executive Director of ITC called the meeting to order.

2. The Group elected His Excellency Mr J-M. Noirfalisse (Belgium) Chairman of the thirty-second session. It elected Mr A. Mannan (Bangladesh) and Ms A.L. Gentil Cabral Petersen (Brazil) as Vice-Chairpersons, and Mr M.K. Githinji (Kenya) as Rapporteur.

3. In his opening remarks the Chairman thanked the Group, on behalf of the other members of the Bureau and on his own behalf, for its support and expression of confidence; together, the members of the JAG Bureau represented LDCs as well as low-, middle- and high-income countries. He welcomed the Secretary-General of UNCTAD and the Director-General of WTO and noted that their presence demonstrated their desire to work jointly and coherently for the benefit of all. The Chairman hoped that this JAG meeting would assist the Executive Director of ITC to make the Centre even more effective in its efforts to reinforce the export capacity of developing countries, particularly LDCs. The Integrated Framework for LDCs and JITAP could become important reference programmes in this context.

4. The following documents were before the Group:

ITC/AG/(XXXII)/L/108	Provisional agenda
ITC/AG/(XXXII)/172	Annual report on the activities of the International Trade Centre UNCTAD/WTO, 1998
Add.1	Summary review of technical cooperation projects operational in 1998
Add.2	Statistical tables
ITC/AG(XXXII)/174	ITC Global Trust Fund: Report of the Consultative Committee to the thirty-second session of the Joint Advisory Group

Agenda item 2: ADOPTION OF THE AGENDA

5. The agenda adopted by the Group was as follows:

1. Election of the Bureau
2. Adoption of the agenda
3. Statement by the Executive Director
4. Review of technical cooperation activities in 1998
5. ITC Global Trust Fund: Report of the Consultative Committee to the thirty-second session of the Joint Advisory Group
6. Announcement of trust fund contributions to ITC
7. Other business
8. Adoption of the report of the meeting

6. The list of participants is given in the addendum to this report.

UNCTAD statement

7. The Secretary-General of UNCTAD congratulated the ITC Executive Director and his staff for their successful efforts to sharpen ITC's focus so that it could more closely match its clients' needs, deliver more precisely defined services, and give greater value for money to donors and recipients of technical assistance alike. One consequence was that cooperation between ITC and UNCTAD was today close and harmonious, and there was genuine recognition of each other's competencies and a desire to maximize modest resources by pooling strengths.

8. Cooperation was most advanced in the promotion of entrepreneurship in developing countries and human resource development. In the knowledge and skills intensive economies of today, there was no substitute for adequate training and the encouragement of an entrepreneurial culture if developing countries and economies in transition were to stand on their own feet.

9. UNCTAD's EMPRETEC and TRAINFORTRADE programmes were working closely with their counterparts in ITC. Projects were being designed and developed jointly, in some cases involving third parties as well. Bringing together partner organizations from several countries in regional training workshops maximized their impact and allowed trainers to benefit from the experience of others.

10. Cooperation also extended into the sensitive area of public information. Instead of competing for the public limelight, ITC, UNCTAD, WTO and other organizations shared information on their respective projects and made joint presentations to donor countries.

11. The Integrated Framework for technical assistance to LDCs was one of the best examples of the spirit of cooperation and work-sharing coursing through Geneva. The special emphasis ITC placed on LDCs was matched at UNCTAD, with these countries accounting for 36 per cent and 38 per cent of their respective project deliveries in 1998. ITC ran the Administrative Unit created under the Framework, to which UNCTAD assigned a senior professional in March 1998.

12. The Secretary-General asked the meeting to keep UNCTAD X and the United Nations Third Conference on LDCs in mind in its deliberations. The need to ensure synergies in the preparations for both these events was self-evident.

13. Finally, the Secretary-General referred to the shockingly low percentage of technical assistance allocated by donor countries to trade-related activities, which according to the OECD Development Assistance Committee barely averaged 2 per cent. In his view, it was sheer hypocrisy to stress the role of trade as the central ingredient of development and then to allocate such derisory resources. He invited donor countries to match words with deeds.

WTO statement

14. The WTO Director-General referred to the particular satisfaction WTO and UNCTAD took as proud parents in the successes of the ITC and he wanted to make three points about the relevance and importance of WTO's collaboration with ITC during the past four years.

15. First, he commended the ITC Executive Director and his staff for the exceptional quality of their efforts and their vision. By building linkages with other international organizations, national governments and the private sector, ITC had leveraged its small resources behind helping LDCs to enter the mainstream of a fast-globalizing economy. It was a model for the way international organizations should work together.

16. Second, he stressed the importance of the Integrated Framework for Trade-Related Technical Assistance, which aimed at assisting LDCs in enhancing their trade opportunities. The fundamental idea

behind the Framework was that an effective development strategy must begin with the LDCs themselves and their Governments. International organizations should not impose their own solutions: they should work together to give these countries the best possible opportunity and the resources they needed to help themselves.

17. Steps already taken under the Framework included the establishment of an Administrative Unit in ITC, the completion by 40 Governments of their needs assessments, and the preparation of 40 integrated responses. One round table had been organized in Kampala, and 21 more were planned. WTO was working closely with other agencies to ensure that the Framework produced positive results.

18. The Director-General said that achieving 'bottom-up' solutions to the problems of LDCs was much more difficult than imposing 'top-down' answers. It involved real countries with their real-life problems, fears and aspirations, but it was also the only way to make durable progress. He urged everyone not to abandon the strategy before it had a chance to work: it was the future and no one could afford to give up on it.

19. Raising his third point, the Director-General said there was a need for a new and truly integrated strategy for development involving all international and national stakeholders at the highest level, embracing not only trade and investment, but also sustainable development, debt relief, capacity building, health care, education, social safety nets, poverty eradication, human rights, cultural diversity, gender equality – in short, human security. Without a coherent plan for tackling the unacceptable marginalization in the world today, the new global economy risked being built on foundations of sand.

20. Drawing some conclusions from his four years as Director-General of WTO, he said that the international system had to adapt to the realities of globalization in three main ways: move towards more collective leadership for the international system, reflecting the reality of a multi-polar world and especially the emergence of new developing country powers; look at the policy challenges as pieces of a larger interconnected puzzle; and prepare for a new forum for the management of these complex issues - one truly representative of the new global realities and which could bring world leaders together to tackle an expanded policy agenda. The Millennium Summit, recently decided upon by the General Assembly of the United Nations, could be the appropriate occasion to move towards a global architecture meeting the challenges of globalization.

21. The international system's task today was to improve the governance of interdependence, and to increase its human and development dimension, not to refuse it. There was growing recognition that the international rule of law must become a main pillar of a globalizing world, and that WTO could offer a useful model for international cooperation in other areas. There was also a growing awareness of the interlinkages among all these issues. While it was clear WTO could not drift away from its trade vocation, it was becoming equally clear that it could not operate in isolation from the other concerns of the world in which it existed. Together with ITC and UNCTAD, WTO had already taken an important step towards a more coherent and inclusive approach to development; they should continue to blaze a trail forward.

Agenda item 3: STATEMENT BY THE EXECUTIVE DIRECTOR

22. In his opening statement, the Executive Director said that 1998 was a year in which ITC progressed from building up organizational strengths to transferring those strengths to its operational programmes, one during which its focus moved from administrative reform and basic retooling to its main mission: the effective delivery of its field programmes.

23. Citing ITC's current assets, he began by pointing out that ITC's mandate was as relevant as ever since businesses in developing countries needed help to best take advantage of the new multilateral trading system. It had a clearly defined target group: SMEs and the trade support organizations that

serviced them. Its six areas of specialization and evolving strategies gave it focus and helped it to define its priorities. It understood trade-related technical assistance needs and had a regenerated capacity to undertake practical work: helping partner countries to design and implement projects was its business and it was learning to coordinate inputs from several agencies in joint projects. Its new technical assistance tools were helping it to discharge its mandate at a consistently high standard, with reduced lead time and costs at the national level. These tools gave ITC a solid and growing substantive base for value-added interventions within tailor-made country programmes and, with the related strategic 'product-network' approach , they constituted a cost-effective technique for maximizing ITC's outreach and achieving national capacity-building. The Global Trust Fund had enabled ITC to expand and refine its tools, to undertake operational activities addressing the collective needs of client countries, and to formulate tailor-made projects at country level. Finally, ITC had been rejuvenated with the arrival of new staff.

24. The Executive Director said that ITC could now handle more work more effectively. Turning to the question of how it could move forward to increase its operational activities at the country level, the Executive Director stressed that ITC's foremost objective was to achieve the broadest possible impact in a larger number of beneficiary countries.

25. Like many other agencies in the United Nations system, ITC had been experiencing a sharp drop in extrabudgetary resources. It was unfortunate that this trend had emerged at a time when its clients needed more help than ever. This meant that additional efforts were required on several fronts. First, ITC would commit itself to strengthening its capacity to deliver its services in line with the priorities of partner countries. Second, it would help these countries link trade promotion to other national economic development policies and strategies. Third, it would intensify its needs assessments and project design efforts at the country level. Finally, it would implement a strategy to mobilize and optimize resources through partnerships with parent bodies, other technical cooperation agencies and donors.

26. ITC would involve potential donors in project formulation to arrive at a common understanding of the trade-related needs of developing and transitional economies and of how these were linked to ITC's capabilities and the donors' own policies and priorities. The active involvement of the beneficiaries themselves would go a long way towards marshalling donor support. ITC would be alert to opportunities to diversify resource mobilization through special funding arrangements, such as the Global Trust Fund and the Common Trust Fund, the latter financing the country-level JITAP programme.

27. ITC was ready to cooperate more intensely with WTO and UNCTAD. It was responding with enthusiasm to suggestions that it should share the technical cooperation programme of WTO to the full extent of its competence and ability. The JITAP programme had set the basis for more structured collaboration between WTO, UNCTAD and ITC at the field level. The Integrated Framework for LDCs encouraged common needs assessments and joint programme formulation. ITC was also increasing collaboration with traditional partners such as UNIDO, ILO, UNESCO and the Commonwealth Secretariat.

28. ITC was exploring new routes to partnership with the private sector and civil society. It would systematically pursue the initiatives launched at UNCTAD's Partners for Development meeting in Lyon and it would fully support UNCTAD X private-sector initiatives. It was to sign a memorandum of understanding with the World Assembly of SMEs that very day. In general, it would heighten its cooperation with non-governmental organizations, particularly in export-led poverty reduction, to increase its outreach.

29. Such opportunities would continue to materialize only to the extent that ITC had credible and useful technical assistance products and expertise to offer. It would use this capacity to advance programmes for the benefit of its developing country partners. The Executive Director said that ITC would bring into perspective the contribution trade development could make to the fulfilment of common concerns such as poverty alleviation, gender equality, environmental protection and entrepreneurship development. The first Executive Forum on National Export Strategies it was hosting in September 1999

would provide it with a special opportunity to review issues of linkages between trade promotion and development strategies. Given the fast changing environment for technical assistance driven in part by new technologies, it was now determining the role it should play in bringing the benefits of information technology, including electronic commerce, within the grasp of exporting SMEs.

30. Having presented ITC's plans for the immediate future, the Executive Director thanked the ITC staff for their imagination and hard work, and ITC's stakeholders for their support in getting ITC to the point where it was now. In closing, he stressed that ITC would make the difference it was capable of for exporters and importers in developing and transitional economies only if it received renewed and concerted support from all present in the room.

General debate

31. The Group expressed appreciation for the completion of ITC's institutional reform, which had started bearing fruit. ITC had come a long way in its reform process in a short time. It was now better equipped to contribute efficiently to the development of the national export and import capacities of developing countries and economies in transition. The new strategies would enable ITC, as a small agency, to use its resources with greater effectiveness. ITC's commitment to ensuring that it had the most qualified personnel through external recruitment and staff development was highly appreciated. The Executive Director's statement showed that the secretariat had a forward-looking orientation, a clear vision of ITC's role in the years to come, and the continuing will to adapt the organization to meet new challenges. Some representatives stressed that it was important for ITC continuously to seek to improve its performance and that there was a need to apply innovations in a concerted manner throughout the organization. In their view it was also important for ITC, in its future activities, not to deviate from practical issues of export promotion and to keep and strengthen its pragmatic focus and enterprise-oriented approach. Noting that the success of the new ITC would be measured in the field, several representatives welcomed the introductory paragraph of the *Annual Report* which assured the Group that ITC was now ready to move from management reform to its main mission: the effective delivery of field programmes.

32. Some representatives also expressed satisfaction with the ability of the existing institutional mechanisms, such as JAG and the GTF Consultative Committee, to communicate effectively with ITC's stakeholders, as well as with their frequent, open and fruitful contacts with the secretariat. The latter had always been willing to respond to requests for information on ITC's programmes and organizational set-up.

33. The Group praised ITC for the practical support it provided to the business sector in developing and transitional economies to enable the sector to respond better to the commercial opportunities and competitive challenges deriving from the multilateral trading system. ITC had taken initiatives to enhance the competitiveness of SMEs, strengthen the capacities of trade support institutions and achieve sustainable development through ownership of the development process by the beneficiaries themselves.

34. Several representatives complimented ITC on its capacity to anticipate the collective needs of its clientele to provide decision-makers, through a wide array of publications and services, with the information and advice they required to set their objectives and choose strategic options. ITC also played an effective catalytic role in creating working links among actors in the public and private sectors. It had encouraged regional cooperation, for instance through the promotion of intra-African trade, an activity that should be replicated in other regions. ITC's support was needed more than ever before. Many developing countries including the LDCs among them were still facing difficulties in adjusting to the results of the Uruguay Round, and these countries required ITC's help to prepare for the new set of WTO negotiations by using its network approach to provide advisory and training services on WTO issues.

35. The Group commended ITC on the development and field application of an increasing number of tools and methodologies covering a broad range of trade-related issues, and for basing these tools on

assessed needs. The positive external evaluations so far of the 'product-network' approach encouraged ITC to build further on this approach. Several representatives emphasized the need to continue to be demand-driven and expressed the wish to be informed of the impact of customization efforts as revealed by regular monitoring and evaluation. Interest was also expressed in the analysis of experiences in customizing programmes to different countries in different regions to enable lessons to be drawn on differences in the approaches required.

36. A representative of a developed country expressed the view that ITC's reform and new approaches had led to a disengagement in the field and a concentration of activities at headquarters. Other representatives stressed the importance of ensuring an adequate balance between interregional, regional and national programmes and projects. In response, the secretariat pointed out that ITC's regular budget was meant exclusively to address the collective needs of partner countries and to develop the substantive base that was required to address country-specific needs more effectively. Tailor-made and comprehensive field projects were to be financed through extrabudgetary resources such as UNDP or trust funds, or contributions from the beneficiaries themselves. The secretariat also emphasized that ITC's headquarters-based work had a strong field orientation. Its technical assistance tools, for instance, were being developed in full partnership with potential beneficiaries who assumed full ownership of the customization process. These tools were also readily available for use in country projects, as was now the case within JITAP.

37. In this context, several representatives voiced their concern over the sharp decrease in ITC's extrabudgetary resources over the last few years, which prevented ITC from making full use of its technical capacities. In response to a query regarding the continuing decline of UNDP financing, the secretariat explained that the UNDP's global core resources had themselves dropped considerably and that UNDP now had priority areas of focus which did not leave much room for trade promotion. Furthermore, the allocation of UNDP funds at country level continued to be very much a prerogative of the governments concerned. A representative of a developed country suggested that resource mobilization could be facilitated by articulating ITC's technical cooperation programme around a limited number of cohesive areas of interventions or central themes. The Executive Director recalled his introductory statement to the meeting in which he had signalled ITC's intent to demonstrate more clearly the contribution that trade promotion could make to the realization of common objectives such as poverty reduction. The developed country representative who had raised the issue of resources in the context of the ITC reform, referring to the Secretary-General's report on the programme performance of the United Nations for the biennium 1996-1997, expressed the view that ITC's reported low rate of implementation might suggest that the organization had not made full use of its much reduced funds. In response, the secretariat stated that the figure in that report had been based on an incomplete account of ITC's performance which had not been measured against its operational activities; the secretariat invited the Group to refer to ITC's earlier written comments on the Secretary-General's report.

38. The Group reaffirmed vigorously the high priority that should be given to LDCs, which had been marginalized in the globalization process, and noted with concern that related technical cooperation expenditures had been stagnant. Correcting a misinterpretation, the secretariat pointed out that 36 per cent of its technical cooperation expenditure went to LDCs. One LDC representative noted with satisfaction that ITC was currently developing new projects in a number of LDCs and expressed the hope that these projects would soon materialize. Another representative suggested that a matrix of projects should be prepared on a geographical basis, which would highlight the focus on LDCs. The spokesman of the African Group was satisfied with the growing share of African countries. Some other representatives, although recognizing the special needs of LDCs, particularly in Africa, called for an increased allocation of resources to more advanced countries in Asia and Latin America. They suggested an emphasis on regional projects which would spread benefits to a wide range of countries at different levels of development. The secretariat pointed out that the assignment of extrabudgetary resources was essentially beyond its control as donors decided on the countries on which to concentrate their development assistance.

39. Many representatives from developing countries expressed deep appreciation for the support they had received from ITC in the form of information or tools from headquarters or through tailor-made projects. They also welcomed ITC's efforts to help them assess their needs and design new projects. Some other representatives, particularly from economies in transition, voiced their concern over the fact that it had so far not been possible to address the specific challenges they were facing and that some activities initiated could not be continued. They appealed to the donor community to consider favourably the project proposals submitted by ITC.

40. The Group unanimously praised ITC for its increased collaboration with other organizations, particularly its parent bodies. The cooperation with UNCTAD and WTO had become more effective and fostered a more integrated approach to trade-related technical assistance, although one representative was of the opinion that there was still room for improved coordination at the initial stage of conceptualizing programmes. ITC was encouraged to strengthen its cooperation with other United Nations organizations, such as UNIDO and ILO, as well as with the Bretton Woods institutions, and to develop partnerships with civil society. ITC's work needed to be continuously appraised in the light of the work of other organizations in order to avoid duplication and ensure that ITC focused on areas where it had a comparative advantage. The representative of the Commonwealth Secretariat drew attention to a positive experience of fruitful collaboration.

41. JITAP and the Integrated Framework for LDCs were cited as good examples of improved coherence among participating institutions and of opportunities for optimal use of human and financial resources. JITAP and the Integrated Framework were, however, of a different nature. While the Integrated Framework was meant only to be a platform for collaboration, JITAP was a concrete programme. The Executive Director invited all representatives to join the informal session at which the concepts, structures and elements of both would be presented.

42. Although it had started slowly, JITAP was now in the process of gathering momentum and was expected to achieve remarkable success in strengthening the national capacities of participating countries which would benefit from the multilateral trading system. The spokesman of the African Group called for the expansion of the JITAP coverage to include all African countries, particularly LDCs. Some other representatives of LDCs proposed that the JITAP programme should be expanded to cover other LDCs and low-income developing countries of Asia/Pacific and Latin America. In this context they noted that such expansion would require larger financial and technical support from the donors, and they believed the donors would, in their generosity, be responsive to such a requirement. This matter would be submitted to the Steering Group of JITAP. Some representatives welcomed ITC's active and prominent involvement in JITAP and suggested a review of progress to date.

43. On the Integrated Framework, several representatives stressed the need to see more momentum in its implementation. It was recognized, however, that operationalizing the Framework was an enormous challenge that required the full and constant commitment of all actors: beneficiaries, agencies and donors. The planned round tables and Consultative Group meetings were to take place as soon as possible. Several representatives and the secretariat pointed out that the process was to be owned by the beneficiaries and should not be agency-driven. A longer lead time was required to strengthen management capacities in LDCs. ITC nevertheless had a critical role to play in the operation of the Framework through the management of the Administrative Unit, a mandate which was a recognition of its competencies. Several representatives suggested that ITC's expertise and experience should be directed to assisting LDCs in designing concrete projects based on the opportunities open to individual countries and their specific needs. In response to queries on follow-up activities that ITC, in collaboration with the other institutions involved, had registered since the High-Level Meeting on LDCs, the secretariat explained that ITC had more than 500 entries – i.e. activities that addressed specific needs as listed by LDCs – in the integrated responses. Of these, some 25 per cent were joint entries with other organizations in order to ensure synergies. About 50 per cent of all entries had either been completed or were in an advanced stage of implementation; some 25 per cent could not start, mainly owing to lack of funds; 10 per cent were being reformulated on the basis of changes in priorities or local conditions. Finally, one donor

representative expressed the view that the Integrated Framework concept should apply not only to LDCs but to all developing countries and economies in transition.

44. Some representatives commented on the distribution of ITC's work among programmes. They noted the large share of product and market development activities and expressed their high expectations from the revamped programme, including product adaptation, which required projects at the national level. They welcomed the organizational changes that had been made, particularly the creation of the Market Analysis Section, hoping that the new division of responsibilities among the units concerned would result in more streamlined and efficient operations. They also emphasized that export diversification, in particular the promotion of value-added manufactured and engineering products, should be an ITC priority in the product and market development area. All speakers stressed the need for emphasizing the strengthening of national capacities and human resource development in every programme. Referring to the large number of ITC publications, one representative recommended a clear editorial line, setting out more clearly ITC's main programme orientations, and an effective distribution and marketing policy. The secretariat informed the Group that a new publications policy was being finalized.

45. ITC received strong encouragement to continue to use and promote the new information technologies as an economic and effective way of accessing trade-related information and to increase its outreach. Some representatives were eager to know more about the experience so far in the use of these technologies by LDCs. More information was needed on the use and impact of ITC's Web sites in terms of visible results and feedback from partner countries. In response to a query regarding the millenium bug, the secretariat assured the Group that its computerized technical assistance tools and equipment were fully Y2K compliant.

46. One representative called for a more intense use of the experience of experts from transitional economies and another welcomed the increasing number of women consultants hired by ITC. The secretariat explained that ITC's roster of experts had some 3,000 entries and that short lists of potential candidates for specific project assignments were established on the basis of technical capabilities, for final decision by the beneficiaries.

Agenda item 4: REVIEW OF TECHNICAL COOPERATION ACTIVITIES IN 1998

47. Several representatives commented on the presentation of the *Annual Report*. Even though the report provided a comprehensive review of ITC's diverse and complex activities, it should have contained more of an evaluative element. A more analytical approach focusing on objectives and results, assessments by beneficiaries of the support they had received, and activities that actually occurred during the period under review, was strongly recommended. The report did not give a qualitative analysis of the trends affecting available financial resources and the pattern of distribution. The Group noted with appreciation that ITC was conscious of the need to improve the reporting on the results of its programmes. The statistical tables were found to be rich in content and highly informative.

48. Most of the Group's comments on ITC activities in 1998 had been made during the general debate. Two additional specific points were referred to under this agenda item.

49. First, on the subject of the evaluation of ITC's work, the Group acknowledged with satisfaction the statement made in the introduction to the *Annual Report* to the effect that increased attention was being given to external evaluations, attentive monitoring and realistic assessment of impact, and the consequent need to develop realistic indicators for measuring the effects of ITC's contribution. The Group also welcomed the increased number of external evaluations undertaken in 1998 and expressed the view that stakeholders should be given an opportunity to discuss these evaluations. Since ITC now had a management system in place for tracking activities and reporting on their results, the report should have included a summary of evaluation findings and ITC's conclusions in terms of guidance for the work

to come. The Group also stressed the importance of maintaining in-house mechanisms for ensuring that lessons learnt from evaluations were taken into account in designing new programmes and projects. The secretariat assured the Group that the evaluation function was an integral part of ITC's management processes. A compilation of evaluation findings and lessons learnt was available on ITC's Intranet and could be shared with stakeholders. This was so in regard to the evaluations of the GTF-financed programmes which had been submitted to the Consultative Committee. The secretariat provided the Group with an oral and detailed account of the evaluation findings, which had been incorporated in the design of the new programmes.

50. Second, several representatives pointed out that trade must serve broader social progress and address related issues of common concern. The Group reaffirmed the relevance of ITC's contribution, within its sphere of competence, to poverty reduction and gender equality. ITC was also to keep environmental concerns as a horizontal priority and expand its involvement in the export promotion of environmentally sound technologies, products and systems, in close cooperation with UNEP, WTO, UNCTAD and UNIDO. As regards poverty, the export production village concept had much to contribute to the goals of poverty eradication and the entrepreneurial development of women. The secretariat informed the Group of its proposed export-led poverty reduction programme, the conceptualization of which was being finalized, and indicated that it would report more comprehensively on the subject in the next *Annual Report*. On the issue of gender equality, the Group welcomed the stocktaking exercise on the mainstream integration of the gender perspective into the ITC programme which was currently underway and suggested that an analysis should be made of the particular constraints women were facing to benefiting from trade and participating in trade activities.

Agenda item 5: GLOBAL TRUST FUND - REPORT OF THE CONSULTATIVE COMMITTEE TO THE THIRTY-SECOND SESSION OF THE JOINT ADVISORY GROUP

51. The Group expressed its full satisfaction with the Global Trust Fund which, since its establishment in 1995, had proved to be a useful and important funding mechanism enabling ITC to prepare generic technical assistance tools. The Fund was effectively administered under the guidance of its Consultative Committee which had set a positive example of efficient cooperation between donor and recipient countries in addressing the critical needs of developing countries and economies in transition.

52. The Group welcomed the results of Phase I of the three programmes financed by Window II, as reflected in the evaluations which had been reviewed by the Consultative Committee and an appeal was made to donor countries to consider financing Phase II. It was recalled that four new Window II programme proposals had been retained out of seven as a result of the priorities set by beneficiaries, the findings of evaluations of ongoing programmes and the interest expressed by donor countries. Every effort should be made to identify funds to allow for their early implementation. In programme execution, the specific needs of LDCs should be taken into account and synergy with other ITC programmes should be ensured. Likewise, greater attention should be paid to the qualitative rather than quantitative aspects of programme delivery.

53. Questions were asked on Window I financing of ITC core staff, the sharing of the findings of evaluations of programmes financed by Window II, and possible shortages in funding for the new programme proposals. On the first point, the Group noted that ITC's regular budget, which financed 66 out of 80 professional posts, had been frozen for years, with the exception of one post added in 1996, and was not likely to increase in the immediate future. Consequently, Window I resources had been utilized in order to finance, in part, some of the remaining 14 senior professional posts. On the second point, the Group took note of the suggestion that these reports should be made available at the informal session of JAG in the autumn. On the third point, the Group was informed that this had been a concern of ITC, but that it was hoped that funding could be secured for all four programmes.

Agenda item 6: ANNOUNCEMENT OF TRUST FUND CONTRIBUTIONS TO ITC

54. At the invitation of the Chairman, the following trust fund contributions to ITC were announced:

- The representative of **Canada** confirmed her Government's 1999 contribution to Window I of the Global Trust Fund of 950,000 Canadian dollars (approximately US$ 655,000). In addition, in 1998 Canada had pledged 350,000 Canadian dollars (approximately US$ 224,000) over three years to the JITAP programme, earmarked for Burkina Faso and the United Republic of Tanzania. Both contributions had already been received.

- The representative of **China** announced that her Government would continue to contribute US$ 50,000 to ITC in 1999.

- The representative of **Denmark** indicated that her Government would contribute US$ 1,276,000 in 1999, of which US$ 800,000 was earmarked for Window I of the Global Trust Fund and US$ 476,000 would finance individual projects. In addition, her Government was contributing US$ 230,000 over three years to Window II of the Common Trust Fund.

- The representative of **Finland** gave assurances of his Government's continued support and would revert with concrete funding decisions following the results of an overall, internal review his Government was carrying out on technical assistance for foreign trade.

- The representative of **France** announced his Government's 1999 contribution to ITC of 5.5 million French francs (approximately US$ 900,000). Of this amount, 2 million French francs (about US$ 327,000) was for Window II of the Global Trust Fund, tentatively earmarked for the CAPNET programme pending the meeting of the Consultative Committee; 2.5 million French francs (around US$ 409,000) would be allocated to the programmes on the legal aspects of foreign trade and international purchasing and supply management; and 1 million French francs (approximately US$ 164,000) would be earmarked for Côte d'Ivoire's national programme under Window II of the JITAP programme.

- The representative of **Germany** expressed his Government's great satisfaction with the Uruguay Round Follow-up Programme which it had supported for the last three years. Now that this was completed, his Government intended to give priority to the South-South Trade Promotion Programme of Window II of the Global Trust Fund. Last year his Government had pledged 2 million deutsche mark over three years; this year Germany pledged 1 million deutsche mark over four years beginning in 2000 for purposes still to be determined.

- The representative of **India** announced her Government's intention to maintain its contribution of US$ 50,000 to the Global Trust Fund.

- The representative of the **Netherlands** announced that his Government's contribution to ITC in 1999 would be maintained at 3 million Netherlands guilders (approximately US$ 1,461,000). This would fund projects benefiting least developed countries in Africa, specifically the Market News Service, support to trade development in the African region, the final stage of the trade tutor training and team-building pilot programme, development of the leather sector in Africa, and partial support to projects in the JITAP programme as previously pledged to the Common Trust Fund.

- The representative of **Norway** expressed his Government's great interest in ITC and its intention to continue its dialogue and cooperation with the Centre. He informed the Group of his Government's earlier contribution to the JITAP programme of 6 million Norwegian kroner (approximately US$ 808,000).

- The representative of **Sweden** announced his Government's intention to remain a substantial contributor to ITC's Global Trust Fund and pledged 6 million Swedish kronor for 1999. Of this, 4 million Swedish kronor would be allocated to Window I, and 2 million Swedish kronor to one or possibly two programmes under Window II. This represented a 20 per cent increase over the 1998 contribution, which had already been 25 per cent higher than the 1997 contribution. He noted his Government's intention to monitor closely the use of Window I funds in 1999 in order to assess the allocation of Sweden's future contributions.

- The representative of **Switzerland**, referring to the Global Trust Fund, informed the Group of his Government's intention to continue to give priority to financing Window II and expressed its desire to see other donors also contributing to Window II programmes. Switzerland had taken action to transfer US$ 1,210,000 to ITC for 1999 which would be allocated as follows: US$ 280,000, US$ 330,000, and US$ 300,000 for Programmes 1, 3 and 4 of Window II respectively, and US$ 300,000 for Window I. In addition, Switzerland had made a contribution of US$ 2,175,000 to the JITAP over three years and would continue its bilateral trust fund which had reached a level of US$ 1.8 million in 1998.

- The representative of the **United Kingdom** announced his Government's decision to strengthen its relationship with ITC and pledged US$ 800,000 over three years to the Global Trust Fund, earmarked for the World Trade Net Programme. This should be seen as a clear vote of confidence in ITC's management team and its capacity to meet the needs of its clients, as well as in conjunction with his Government's pledge at WTO's Second Ministerial Conference to help developing countries secure their proper interests in the international trading system.

55. Several beneficiary countries expressed their appreciation for the pledges as well as for the assistance already received. The Executive Director noted that pledges had also been made earlier by the Governments of Belgium, Côte d'Ivoire, Greece, Ireland and Italy, and thanked the Group for the announcement of all of these contributions.

56. Concluding the meeting, the Chairman thanked the Group for its frank and open discussions. Cooperation among the three institutions had been demonstrated by the presence of the Secretary-General of UNCTAD and the Director-General of WTO, and internal ITC coherence had also been evident. The ITC secretariat had demonstrated that it was transparent and ready to continue the ongoing dialogue with its stakeholders. This process would continue with a discussion of selected topics during the informal JAG session in the autumn which would provide an additional opportunity for an exchange of views on ITC programmes. ITC had shown that it was a demand-driven organization whose activities were prioritized on the basis of the specific needs expressed by its beneficiary countries. Its effective delivery of services so soon after a successfully completed restructuring was to be commended.

Agenda item 7: OTHER BUSINESS

57. The Group unanimously expressed its appreciation to the secretariat for the excellent presentations given in the informal JAG session on "Comprehensive, trade-related technical assistance initiatives", featuring the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries and the Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme in Selected Least-Developed and Other African Countries.